

The Global Battle Over Advanced Industries

BY ROBERT D. ATKINSON

*It's time for
a more nuanced,
more sophisticated
U.S. approach.*

While the Trump and Biden administrations have abandoned America's long-standing mission of promoting global market opening, they've both retained the long-standing mindset that "all exports are equally good." Indeed, since its inception, the office of the United States Trade Representative has remained largely indifferent on the relative priority of opening markets for corn or cars. All foreign trade barriers are seen as equally bad; all exports are equally good.

Shaped by the neoclassical economic view that no industry is more important than any other, U.S. trade policy is woefully out of step with the fierce competition over advanced technology that is at the heart of today's global economy. This is not because it is too consumer- or worker-centric, but because it is strategically obtuse. If the United States is to win the technoeconomic battle instigated by China, trade policy must prioritize global market access for high-fixed-cost advanced industries such as aerospace, biopharmaceuticals, semiconductors, and software.

This needed shift is particularly challenging as the Biden administration has turned away from trade, or at least taken a "time out." The administration's official statements champion trade "that encourages a race to the top" and "worker-oriented" trade policy, but its actions suggest its real goal is to limit America's global economic entanglement. Case in point: it has done

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